



COUNCILMEMBER DONNA FRYE
City of San Diego, Sixth District

MEMORANDUM

DATE: May 24, 2007

TO: City Councilmembers
Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Donna Frye *Donna Frye*

SUBJECT: FY 2008 Budget for Airports Division

I am requesting that the Airports Division be given an increase in the CIPs and maintenance budget from \$1.8 million to \$2.4 million. The Airport Fund is an enterprise fund and according to the FY 2008 Budget, has an ample unallocated fund balance to cover this extra amount I have requested. In recent years, the airports infrastructure has been neglected and mismanaged, and CIPs have been continuously postponed. Now that management has changed, I believe that we must provide the adequate funds to maximize the utility of these valuable city assets.

DF:kcw

Attachment

cc: Mayor Jerry Sanders

From: Mike Tussey
To: Councilmember Ben Hueso; Councilmember Jim Madaffer; Dale Bankhead; Donna Frye; Rick Beach
Date: 5/22/2007 10:33:30 AM
Subject: Re: Citizen comment on budget for Airports Division

Rick, Councilmembers et al,

As you know, my highest priority has always been the rehabilitation of the runways and taxiways of Montgomery and Brown Fields, reversing the trend of the last twenty-thirty years. To that end, I have increased the funds available in successive years for airport CIP's and maintenance from \$800,000 to \$1,000,000 to this year's \$1,800,000. We wanted \$2,400,000, but Financial Management denied this Budget Change Request (BCR). We expect to substantially increase that amount next year. In the meantime, our \$1.8 million General Requirements Contract (GRC) for CIP's and maintenance is processing through the City and will be presented to Council this summer.

Regards,

M

>>> "Rick Beach" <rick.beach@amazingpossibilities.org> 5/9/2007 9:08:29 AM >>>

Dale, please circulate this message to Council members who will be reviewing the budget for the Airports Division.

These comments are those of a citizen heavily involved in aviation within the City of San Diego but represent my personal opinions and not those of any organization. However, my experience of serving as the Vice-Chair of the Airports Advisory Committee, President of the Community Airfields Association of San Diego, and member of the Airport Land Use Commission Technical Advisory Group, and Airport Support Network volunteer for the Aircraft Owners and Pilots Association gives me a holistic perspective that underlies these comments.

First, I request that the City increase the Airports Division budget for FY2008 to accelerate work on deferred maintenance. Increase the capital improvement line from \$1.8 million to \$3.0 million.

Second, I request that the City increase the staff of the Airports Division to accommodate increased airport planning and aviation business development. Increase the staff positions by one to add an airport business development position.

The City Airport Fund is an enterprise fund. The City has agreed with federal and state requirements for accepting aviation grants to use all revenue generated on the airports for expenses at the airports. The FY2008 budget document shows a fund balance of \$2,982,781 (see pages 234 and 235). Therefore, the City has unallocated fund balance available to fund both of my requests.

Furthermore, by combing through the Auditor monthly reports, I have confirmed the trend that the Airport Fund runs a surplus averaging \$1 million per year for each of the periods in FY2006, FY2007 and FY2008. These surpluses are not included in the fund balances shown in the FY2008 budget due to lack of audited financial statements. Yet, the unaudited monthly report for Feb 9, 2007 shows revenues exceed budget by \$894,224 and expenses under budget by \$599,172 for a total unallocated surplus of \$1,493,396. In FY2006, the surplus was reported in the June 16, 2006 monthly report to be \$525,172. Neither of these amounts appear in the FY2008 figures. And you must spend

them on airport expenses.

Hence, there may be an additional \$2-3 million in the unallocated fund balance of the Airport Fund for a total unallocated fund balance of approximately \$5-6 million.

You have the money. You are constrained to spend the money on airports. You have the need.

The deferred maintenance issue is critical. Much of the growth of the Airport Fund balance over the past decade was due to lack of spending on runway and taxiway maintenance. Estimates of the repairs exceed \$20 million. To accelerate these repairs, the Airport Advisory Committee unanimously agreed to recommend that the City increase the capital improvement funds from \$1.8 million to \$2.5 to \$3.0 million. I urge you to ensure that these changes appear in the budget.

The staffing issue is different. In my opinion, what is needed are different skills than the proposed class 1756 Property Agent positions. One of those positions is presently vacant, however the work is dominated by lease management issues rather than planning or development issues. Both Montgomery Field and especially Brown Field need aviation expertise for airport system planning, the job function at other airports that manages the master planning effort, and aviation business development, the job function that seeks additional aviation revenue from on-airport services. These aviation-related experiences are not skills readily available within the City of San Diego staff. This concept was introduced by recommendation #3, Introduce a commercial management position, and recommendation #4 Implement facility development planning to support business objectives, in the Leigh Fisher report produced for the Airports Division and dated May 4, 2006. To ensure the success of developing both Montgomery Field and Brown Field, I urge you to request this additional expertise on staff. (If desired, I can provide an electronic copy of these recommendations from the Leigh Fisher report.)

Thank you for your support.

Cheers
Rick

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619-920-2120

CC: Elyse Lowe; Grace Chao; James Barwick; Jim Waring; Kristin Camper-Wozniak